

STATE BONDING FUND
INVESTMENT PERFORMANCE REPORT AS OF NOVEMBER 30, 2008

	November-08				October-08				September-08				Current FYTD	Prior Year FY08	3 Years Ended 6/30/2008	5 Years Ended 6/30/2008
	<u>Allocation</u>		<u>Month</u>		<u>Allocation</u>		<u>Month</u>		<u>Allocation</u>		<u>Quarter</u>					
	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
LARGE CAP DOMESTIC EQUITY																
<i>Structured Growth</i>																
Los Angeles Capital	49,256	2.3%	2.8%	-7.37%	53,617	2.5%	2.8%	-16.95%	64,541	2.7%	2.8%	-12.89%	-32.98%	-7.79%	7.68%	N/A
Total Structured Growth	49,256	2.3%	2.8%	-7.37%	53,617	2.5%	2.8%	-16.95%	64,541	2.7%	2.8%	-12.89%	-32.98%	-7.79%	7.68%	9.56%
<i>Russell 1000 Growth</i>				-7.95%				-17.61%				-12.33%	-33.51%	-5.96%	5.91%	7.32%
<i>Structured Value</i>																
LSV	44,893	2.1%	2.8%	-7.22%	48,805	2.3%	2.8%	-20.01%	60,981	2.6%	2.8%	-6.65%	-30.72%	-21.43%	3.81%	11.57%
<i>Russell 1000 Value</i>				-7.17%				-17.31%				-6.11%	-27.93%	-18.78%	3.53%	8.92%
<i>Russell 1000 Enhanced Index</i>																
LA Capital	76,394	3.6%	3.6%	-6.72%	108,886	5.0%	5.6%	-15.71%	130,407	5.5%	5.6%	-9.52%	-28.86%	-9.54%	6.97%	N/A
<i>Russell 1000</i>				-7.56%				-17.46%				-9.35%	-30.83%	-12.36%	4.81%	
<i>S&P 500 Enhanced Index</i>																
Westridge	103,129	4.9%	3.6%	-7.08%	111,931	5.2%	5.6%	-16.71%	134,346	5.6%	5.6%	-8.06%	-28.84%	-12.18%	4.98%	N/A
<i>S&P 500</i>				-7.18%				-16.79%				-8.37%	-29.23%	-13.12%	4.41%	
<i>Index</i>																
State Street	15,719			-7.75%	34,702			-17.05%	42,142			-11.64%	-32.38%	-18.24%	2.93%	6.64%
Total 130/30	15,719	0.7%	1.9%	-7.75%	34,702	1.6%	1.9%	-17.05%	42,142	1.8%	1.9%	-11.64%	-32.38%	-18.24%	2.93%	6.64%
<i>S&P 500</i>				-7.18%				-16.79%				-8.37%	-29.23%	-13.12%	4.41%	7.59%
<i>Temporary Asset Allocation (Enhanced)</i>																
Clifton Group (moved from fixed 11/1/08)	87,077	4.1%	4.1%	-7.91%	-	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>S&P 500</i>				-7.18%												
TOTAL LARGE CAP DOMESTIC EQUITY	376,469	17.8%	18.8%	-7.27%	357,939	16.6%	18.8%	-16.94%	432,417	18.1%	18.8%	-9.42%	-30.23%	-12.71%	5.68%	9.31%
<i>S&P 500</i>				-7.18%				-16.79%				-8.37%	-29.23%	-13.12%	4.41%	7.59%
SMALL CAP DOMESTIC EQUITY																
<i>Manager-of-Managers</i>																
SEI	1	0.0%	1.2%	N/A	54,548	2.5%	3.1%	-22.99%	70,554	3.0%	3.1%	-6.64%	N/A	-20.93%	2.06%	9.10%
<i>Russell 2000 + 200bp</i>				-11.66%				-20.64%				-0.61%	-30.32%	-14.48%	5.88%	12.50%
<i>Enhanced</i>																
Research Affiliates	51,521	2.4%	1.2%	-12.63%	60,198	2.8%	3.1%	-21.05%	76,188	3.2%	3.1%	-2.34%	-32.63%	N/A	N/A	N/A
<i>Russell 2000</i>				-11.83%				-20.80%				-1.11%	-30.95%			
<i>Temporary Asset Allocation (Enhanced)</i>																
Clifton	82,065	3.9%	3.9%	-11.16%	66	0.0%	0.0%	N/A	-	0.0%	0.0%	N/A	N/A	N/A	N/A	N/A
<i>Russell 2000</i>				-11.83%												
TOTAL SMALL CAP DOMESTIC EQUITY	133,588	6.3%	6.3%	-11.73%	114,813	5.3%	6.3%	-21.98%	146,741	6.2%	6.3%	-4.46%	-34.21%	-21.14%	1.97%	9.04%
<i>Russell 2000</i>				-11.83%				-20.80%				-1.11%	-30.95%	-16.19%	3.79%	10.29%
INTERNATIONAL EQUITY																
<i>Large Cap - Active</i>																
Capital Guardian	84,353	4.0%	4.0%	-3.87%	69,704	3.2%	4.0%	-19.54%	86,992	3.7%	4.0%	-19.12%	-37.45%	-12.37%	12.24%	14.35%
LSV	82,479	3.9%	4.0%	-5.09%	68,885	3.2%	4.0%	-20.12%	86,189	3.6%	4.0%	-17.02%	-37.10%	-25.78%	7.37%	N/A
Total Large Cap - Active	166,831	7.9%	8.0%	-4.48%	138,589	6.4%	8.0%	-19.83%	173,182	7.3%	8.0%	-18.09%	-37.28%	-19.29%	9.83%	13.46%
<i>MSCI EAFE - 50% Hedged</i>				-4.98%				-17.28%				-16.79%	-34.59%	-15.14%	10.93%	14.67%
<i>Small Cap - Value</i>																
DFA	21,084	1.0%	1.0%	-5.55%	15,566	0.7%	1.0%	-21.76%	19,897	0.8%	1.0%	-20.83%	-41.49%	N/A	N/A	N/A
Total Small Cap Value	21,084	1.0%	1.0%	-5.55%	15,566	0.7%	1.0%	-21.76%	19,897	0.8%	1.0%	-20.83%	-41.49%	-12.74%	9.30%	17.27%
<i>S&P/Citigroup Broad Market Index < \$2BN</i>				-3.70%				-23.80%				-23.50%	-43.86%	-25.49%	7.39%	17.33%
<i>Small Cap - Growth</i>																
Vanguard	20,139	1.0%	1.0%	-4.94%	14,494	0.7%	1.0%	-24.14%	19,088	0.8%	1.0%	-25.01%	-45.92%	-17.52%	11.77%	20.18%
<i>Citigroup Broad Market Index < \$2BN</i>				-3.70%				-23.80%				-23.50%	-43.86%	-25.49%	7.39%	17.33%
TOTAL INTERNATIONAL EQUITY	208,054	9.8%	10.0%	-4.62%	168,650	7.8%	10.0%	-20.40%	212,166	8.9%	10.0%	-19.01%	-38.51%	-18.83%	9.79%	14.56%

STATE BONDING FUND
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MSCI EAFE - 50% Hedged

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<u>Allocation</u>		<u>Month</u>		<u>Allocation</u>		<u>Month</u>		<u>Allocation</u>		<u>Quarter</u>					
Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
			-4.98%				-17.28%				-16.79%	-34.59%	-15.14%	10.93%	14.67%

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	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Market Value	Actual	Policy	Net ROR	Net	Net	Net	Net
DOMESTIC FIXED INCOME																
Core Bond																
Western Asset	382,018	18.1%	17.1%	-1.12%	373,488	17.3%	17.1%	-6.68%	400,177	16.8%	17.1%	-5.05%	-12.38%	2.06%	2.76%	3.55%
<i>BC Aggregate</i>				3.25%				-2.36%				-0.49%	0.33%	7.12%	4.09%	3.86%
Mortgage Backed																
Hyperion	64,807	3.1%	4.4%	-16.41%	72,264	3.3%	4.4%	-7.36%	77,015	3.2%	4.4%	-21.09%	-38.90%	-20.24%	N/A	N/A
<i>BC Global Aggregate (US Securitized Portion)</i>				0.00%				-3.66%				-1.46%	-5.07%	10.14%		
Core Plus/Enhanced																
<i>Clifton Group</i>	-	0.0%	4.4%	N/A	120,820	5.6%	4.4%	-0.25%	121,889	5.1%	4.4%	0.43%	N/A	10.17%	N/A	N/A
<i>Prudential</i>	119,727	5.7%	4.4%	1.44%	113,633	5.3%	4.4%	-5.21%	118,769	5.0%	4.4%	-1.35%	-5.15%	4.89%	N/A	N/A
Total Core Plus/Enhanced	119,727	5.7%	8.8%	1.44%	234,453	10.9%	8.8%	-2.70%	240,658	10.1%	8.8%	-0.46%	-1.76%	7.55%	N/A	N/A
<i>BC Aggregate</i>				3.25%				-2.36%				-0.49%	0.33%	7.12%		
Index																
Bank of ND	222,711	10.5%	7.7%	4.93%	205,024	9.5%	7.7%	-2.32%	209,837	8.8%	7.7%	-1.24%	1.23%	7.68%	3.93%	3.28%
<i>BC Gov/Credit (1)</i>				4.43%				-2.51%				-1.64%	0.15%	7.24%	3.84%	3.24%
BBB Average Quality																
Wells Capital (formerly Strong)	401,142	19.0%	17.1%	2.27%	377,155	17.5%	17.1%	-7.91%	410,286	17.2%	17.1%	-3.67%	-9.27%	3.55%	3.04%	3.85%
<i>BC US Credit BAA</i>				2.82%				-10.95%				-4.85%	-12.87%	2.62%	2.52%	3.59%
TOTAL DOMESTIC FIXED INCOME	1,190,404	56.3%	55.0%	0.38%	1,262,384	58.5%	55.0%	-5.69%	1,337,974	56.1%	55.0%	-4.37%	-9.48%	2.32%	3.89%	5.04%
<i>BC Aggregate (2)</i>				3.25%				-2.36%				-0.49%	0.33%	7.12%	4.09%	3.73%
CASH EQUIVALENTS																
Bank of ND	206,912	9.8%	10.0%	0.11%	254,220	11.8%	10.0%	0.13%	253,896	10.7%	10.0%	0.48%	0.72%	3.43%	4.10%	3.38%
<i>90 Day T-Bill</i>				0.10%				0.11%				0.63%	0.85%	3.63%	4.27%	3.18%
TOTAL BONDING FUND	2,115,427	100.0%	100.0%	-1.96%	2,158,006	100.0%	100.0%	-9.43%	2,383,194	100.0%	100.0%	-6.34%	-16.83%	-4.14%	4.30%	5.86%
POLICY TARGET BENCHMARK				-0.78%				-7.46%				-3.56%	-11.46%	-0.90%	5.01%	5.95%

NOTE: Monthly returns and market values are preliminary and subject to change.

(1) From April 1, 2004, through June 30, 2005, the benchmark was the LB Intermediate Govt/Credit index.

(2) Prior to July 1, 2005, the benchmark was LB Govt/Credit Index.